

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6618

BILL NUMBER: SB 209

NOTE PREPARED: Feb 19, 2010

BILL AMENDED: Feb 18, 2010

SUBJECT: Environmental Issues.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Dvorak

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Electronic Digital Signature Act*. The bill provides that the Electronic Digital Signature Act does not apply to the Department of Environmental Management (IDEM).

Definitions. This bill amends the definitions of "owner" and "operator" and defines "foreclosure" to delineate exceptions from potential liability for cleanup that (1) are consistent with federal law under underground storage tank (UST), petroleum facility, and hazardous substance facility statutes; and (2) apply to lenders that foreclose on sites at which they did not participate in management before foreclosure and that undertake certain enumerated activities after foreclosure. It replaces the undefined term "sanitary landfill" with "solid waste landfill". For purposes of wastewater management statutes, the bill replaces the term "wastewater" with "septage".

Deadlines for Action by Department of Environmental Management. This bill establishes deadlines for action by IDEM on various permit applications with respect to certain solid waste processing facilities.

Drinking Water/Waste Water Operator Certification. The bill expands the grounds on which the commissioner of IDEM may suspend or revoke a drinking water or wastewater operator certification. It provides that wastewater management statutes apply to land application of septage.

Environmental Restrictive Ordinance (ERO). The bill provides that an ERO is an ordinance adopted by a municipal corporation that seeks to control the use of groundwater in a manner and to a degree that protects human health and the environment against unacceptable exposure to a release of hazardous substances, petroleum, or both. It requires IDEM to give written notice to a municipal corporation that IDEM is relying on an ERO adopted by the municipal corporation as part of a risk-based remediation proposal. The bill

requires a municipal corporation to notify IDEM of adoption, repeal, or amendment of an ERO only if the municipal corporation received that written notice.

Sewer System Exemption. The bill provides that a person who owns agricultural land in St. Joseph County is exempt from the requirement to connect to a regional sewage district's sewer system and to discontinue use of a septic tank soil absorption system if the person, at the person's own expense, obtains and provides to the district a certification from the local health department that the septic tank soil absorption system is functioning satisfactorily. A person who qualifies for the exemption may not be required to connect to the district's sewer system for a period of five years beginning on the district's sewer system's anticipated connection date; and (2) if ownership of the exempt property passes from the owner who qualified for the exemption to another person during the exemption period, the exemption does not apply to the subsequent owner of the property.

Underground Petroleum Storage Tank Excess Liability Trust Fund. The bill modifies the deductible for claims against the fund by certain underground storage tank owners.

Effective Date: Upon passage; July 1, 2010.

Explanation of State Expenditures: *(Revised) Electronic Digital Signature Act.* The impact of this provision on IDEM expenditures, though not expected to be significant, can not be readily quantified.

Environmental Restrictive Ordinance. The bill requires IDEM to give written notice to a municipal corporation that IDEM is relying on an ERO adopted by the municipal corporation as part of a risk-based remediation proposal. The bill requires a municipal corporation to notify IDEM of adoption, repeal, or amendment of an ERO only if the municipal corporation received that written notice. The above requirement is within IDEM's routine administrative functions and should be able to be implemented with no additional appropriations.

Drinking Water/Waste Water Operator Certification. The bill allows suspension or revocation of a drinking water or wastewater operator certification if another state has decertified or taken similar action against the operator. This provision could result in a reduction in expenses associated with IDEM's having to document a case for suspension or revocation of a certification.

Underground Petroleum Storage Tank Excess Liability Trust Fund. The bill modifies the deductible for claims against the fund by certain underground storage tank owners. The impact that this provision will have on expenditures from the ELTF will depend on the number and nature of future claims.

Explanation of State Revenues:

Explanation of Local Expenditures: *Environmental Restrictive Ordinance.* The bill requires a municipal corporation to notify IDEM of adoption, repeal, or amendment of an ERO only if the municipal corporation received that written notice. The impact of this provision on local expenses is not expected to be significant.

Explanation of Local Revenues: *(Revised) Sewer System Exemption.* The bill provides that a person who owns agricultural land in St. Joseph County is exempt for 5 years from the requirement to connect to a regional sewage district's sewer system under certain circumstances. This provision will reduce revenue collected by the St Joseph County Regional Sewage District by an indeterminable amount.

State Agencies Affected: IDEM.

Local Agencies Affected: Units responsible for water treatment plants and water distribution systems; municipal corporations; St Joseph Regional Sewage District.

Information Sources: IDEM.

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